MONTANA LEGISLATIVE HISTORY

Chapter 181 19 91

Bill H 313 S _____ Original bill & history ✓ C

H. Committee on Taxation			S. Committee on Taxation		
Hearing Date(s)	1-30	✓ C	Hearing Date(s)	3-11	✓ C
		C			C
		C			C
		C			C
Date Out		C			

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

4/05	REFERRED TO TAXATION		
4/11	HEARING		
4/14	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
4/15	2ND READING CONCURRED	35	11
4/16	3RD READING CONCURRED	40	9
	RETURNED TO HOUSE WITH AMENDMENTS		
4/18	2ND READING AMENDMENTS CONCURRED	53	42
4/19	3RD READING AMENDMENTS CONCURRED	63	34
4/25	SIGNED BY SPEAKER		
4/29	SIGNED BY PRESIDENT		
5/06	TRANSMITTED TO GOVERNOR		
5/15	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 749	EFFECTIVE DATE: 7/01/91	

HB 313 INTRODUCED BY MCCAFFREE, ET AL.

REVISE TAX DEED NOTICE REQUIREMENTS

1/21	INTRODUCED		
1/21	REFERRED TO TAXATION		
1/22	FIRST READING		
1/25	FISCAL NOTE REQUESTED		
1/30	HEARING		
1/30	COMMITTEE REPORT—BILL PASSED AS AMENDED		
1/30	FISCAL NOTE RECEIVED		
1/30	FISCAL NOTE PRINTED		
2/01	2ND READING PASSED	94	3
2/04	3RD READING PASSED	95	4
	TRANSMITTED TO SENATE		
2/05	FIRST READING		
2/05	REFERRED TO TAXATION		
3/11	HEARING		
3/11	COMMITTEE REPORT—BILL CONCURRED		
3/13	2ND READING CONCURRED	47	2
3/14	3RD READING CONCURRED	47	1
	RETURNED TO HOUSE		
3/21	SIGNED BY SPEAKER		
3/21	SIGNED BY PRESIDENT		
3/22	TRANSMITTED TO GOVERNOR		
3/26	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 181	EFFECTIVE DATE: 10/01/91	

HB 314 INTRODUCED BY DAVIS

CLOSE VOTER REGISTRATION 10 DAYS PRIOR TO ELECTION INSTEAD OF 30 DAYS

1/21	INTRODUCED
1/21	REFERRED TO STATE ADMINISTRATION
1/22	FIRST READING
2/18	HEARING
2/18	TABLED IN COMMITTEE

HB 315 INTRODUCED BY DAVIS

REQUIRE JURY SERVICE NO MORE THAN ONCE EVERY FOUR YEARS

1/21	INTRODUCED
1/21	REFERRED TO STATE ADMINISTRATION
1/22	FIRST READING
1/29	HEARING
1/31	TABLED IN COMMITTEE

House BILL NO. 313

INTRODUCED BY McGillen T. Brent

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE PROCEDURE FOR THE ISSUANCE OF A TAX DEED; CANCELING THE PROPERTY TAX LIEN IF THE PURCHASER OF THE TAX LIEN, OTHER THAN THE COUNTY, FAILS TO GIVE NOTICE TO INTERESTED PARTIES; ELIMINATING THE COUNTY TREASURER'S DUTY TO NOTIFY INTERESTED PARTIES IF THE PURCHASER FAILS TO GIVE NOTICE; AMENDING SECTION 15-18-212, MCA; AND PROVIDING AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-18-212, MCA, is amended to read:

"**15-18-212. Notice -- proof of notice -- penalty for failure to notify.** (1) Not more than 60 days prior to and not more than 60 days following the expiration of the redemption period provided in 15-18-111, a notice must be given as follows:

(a) for each property for which there has been issued to the county a tax sale certificate or for which the county is otherwise listed as the purchaser or assignee, the county clerk shall notify all persons considered interested parties in the property and the current occupant of the property, if any, that a tax deed may be issued to the county unless the property tax lien is redeemed prior to the expiration date of the redemption period; or

(b) for each property for which there has been issued a tax sale certificate to a purchaser other than the county or for which an assignment has been made, the purchaser or assignee, as appropriate, shall notify all persons considered interested parties in the property, if any, that a tax deed will be issued to the purchaser or assignee unless the property tax lien is redeemed prior to the expiration date of the redemption period.

(2) (a) Except as provided in subsection (2)(b), if the county is the purchaser, no assignment has been made, and the board of county commissioners has not directed the county treasurer to issue a tax deed during the period described in subsection (1) but the board of county commissioners at a time subsequent to the period described in subsection (1) does direct the county treasurer to issue a tax deed, the county clerk must provide notification to all interested parties and the current occupant, if any, in the manner provided in subsection (1)(a). The notification required under this subsection must be made not less than 60 days or more than 120 days prior to the date on which the county treasurer will issue the tax deed.

(b) If the county commissioners direct the county treasurer to issue a tax deed within 6 months after giving

LC 1479/01

INTRODUCED BILL
HB 313

the notice required by subsection (1)(a), no additional notice need be given.

(3) (a) If a purchaser other than the county or an assignee fails or neglects to give notice as required by subsection (1)(b), which failure or neglect is evidenced by failure of the purchaser or assignee to file proof of notice with the county clerk as required in subsection (7), the county treasurer shall ~~proceed to give notice in the manner provided in subsection (1)(a)~~ notify the purchaser or assignee of his obligation to give notice under subsection (1)(b). The notice of obligation may be sent by certified mail to the purchaser or assignee at the address contained on the tax sale certificate provided for in 15-17-212 or on the assignment form provided for in 15-17-323.

(b) If within 120 days after the county treasurer mails the notice of obligation the purchaser or assignee fails to give notice as required by subsection (1)(b), as evidenced by failure to file proof of notice with the county clerk as required in subsection (7), the county treasurer shall cancel the property tax lien evidenced by the tax sale certificate or the assignment.

~~(b) Notice given under this subsection (3) must be given not less than 60 days or more than 120 days prior to the date on which the county treasurer will issue the tax deed.~~

~~(c) A purchaser or assignee who fails to give notice as required by subsection (1)(b), thereby forcing notification to be given under this subsection (3), must be charged a penalty of $500 plus all actual costs of notification incurred by the county proceeding under this subsection (3).~~

(4) The notice required under subsections (1) ~~through (3)~~ and (2) must be made by certified mail to each interested party and the current occupant, if any, of the property. The address to which the notice must be sent is, for each interested party, the address disclosed by the records in the office of the county clerk and, for the occupant, the street address or other known address of the subject property.

(5) In all cases in which the address of an interested party is not known, the person required to give notice shall, within the period described in subsection (1) or not less than 60 days or more than 120 days prior to the date upon which the county treasurer will otherwise issue a tax deed, whichever is appropriate, commence publishing once a week for 2 successive weeks, in the official newspaper of the county or such other newspaper as the board of county commissioners may by resolution designate, a notice containing the information contained in subsection (6), plus:

(a) the name of the interested party for whom the

address is unknown;

(b) a statement that the address of the interested party is unknown;

(c) a statement that the published notice meets the legal requirements for notice of a pending tax deed issuance; and

(d) a statement that the interested party's rights in the property may be in jeopardy.

(6) The notices required by subsections (1)~~,~~ ~~through (3)~~ (2), and (5) must contain the following:

(a) a statement that a property tax lien exists on the property as a result of a property tax delinquency;

(b) a description of the property on which the taxes are or were delinquent, which description must be the same as the description of the property on the tax sale certificate or in the record described in 15-17-214(2)(b);

(c) the date that the property taxes became delinquent;

(d) the date that the property tax lien attached as the result of a tax sale;

(e) the amount of taxes due, including penalties, interest, and costs, as of the date of the notice of pending tax deed issuance, which amount must include a separate listing of the delinquent taxes, penalties, interest, and costs that must be paid for the property tax lien to be liquidated;

(f) the name and address of the purchaser;

(g) the name of the assignee if an assignment was made as provided in 15-17-323;

(h) the date that the redemption period expires or expired;

(i) a statement that if all taxes, penalties, interest, and costs are not paid to the county treasurer on or prior to the date on which the redemption period expires or on or prior to the date on which the county treasurer will otherwise issue a tax deed that a tax deed may be issued to the purchaser on the day following the date on which the redemption period expires or on the date on which the county treasurer will otherwise issue a tax deed; and

(j) the business address and telephone number of the county treasurer who is responsible for issuing the tax deed.

(7) Proof of notice in whatever manner given must be filed with the county clerk. If the purchaser or assignee is other than the county, the proof of notice must be filed with the county clerk within 30 days of the mailing or publishing of the notice. If the purchaser or assignee is the county or if the county treasurer is required to give notice pursuant to subsection (3), the proof of notice must be filed before the issuance of the tax deed under this chapter. Once filed, the proof of notice is prima facie

evidence of the sufficiency of the notice.

(8) A county or any officer of a county may not be held liable for any error of notification."

NEW SECTION. **Section 2.** **Applicability.** [Section 1] applies to all real property tax liens that have not been redeemed on October 1, 1991, or that attach after October 1, 1991.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0313, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act revising the procedure for the issuance of a tax deed; canceling the property tax lien if the purchaser of the tax lien, other than the county, fails to give notice to interested parties; eliminating the county treasurer's duty to notify interested parties if the purchaser fails to give notice; and providing an applicability date.

FISCAL IMPACT:

This proposal has no impact on state expenditures or revenues.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

This proposal eliminates the county treasurer's duty to notify interested parties if an assignee fails to give notice and would have minimal impact on county expenditures.

for ROD SUNDSTED, ~~BUDGET DIRECTOR~~ Deputy Dir. 1/30/91
Office of Budget and Program Planning DATE

ED MCCAFFREE, PRIMARY SPONSOR 1/30/91
DATE

Fiscal Note for HB0313, as introduced

HB 313

CHAIRMAN--DAN HARRINGTON
SECRETARY-MONA SPAULDING
NORMAL SCHEDULE==> SITE: ROOM 437 DAYS: M,T,W,T,F TIME: 8:00 A.M.

BILL NO	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REREFERRED TO COMM	DATE OUT
HB0312	3/21			PASS AS AMENDED		3/28
HOFFMAN, DAVID			PROVIDE STATE FUNDING FOR DISTRICT COURT COSTS EXPENDED OVER MAX COUNTY LEVY			
HB0313	1/21	1/30		PASS AS AMENDED		1/30
MCCAFFREE, ED			REVISE TAX DEED NOTICE REQUIREMENTS			
HB0321	1/21	1/29		PASS AS AMENDED	APPROPRIATIONS	2/05
REAM, BOB			REQUIRE INTEREST/PENALTY ON CERTAIN TAXES BE DEPOSITED IN STATE GEN FUND			
HB0332	1/22	2/01	3/06	TABLED ON 03/07		
KADAS, MIKE			INCOME TAX CREDIT FOR 20% OF STUDENT LOAN INTEREST			
HB0334	1/22	1/31		PASS AS AMENDED		2/12
SWYSGOOD, CHARLES			ALLOW LIVESTOCK MOVED INTERSTATE TO BE TAXED ON A PRORATED BASIS			
HB0338	1/22	1/31		PASS AS AMENDED		2/01
REAM, BOB			REDEFINE INCENTIVES FOR LOW EMISSION WOOD OR BIOMASS COMBUSTION DEVICES			
HB0340	1/22	3/20		PASS AS AMENDED	APPROPRIATIONS	3/27
REAM, BOB			REVISE TAXATION OF PRIVATE FOREST LAND BASED ON FOREST PRODUCTIVITY VALUE			
HB0384	1/24					
REAM, BOB			ESTABLISH OFFICIAL REVENUE ESTIMATE FOR THE 1992-1993 BIENNIUM			
HB0386	1/24	2/12		PASS AS AMENDED		3/18
SCHYE, TED			INCREASE GAS LICENSE TAX TO FINANCE CERTAIN STATE ROADS AND AREAS			
HB0392	1/25	2/06		PASS AS AMENDED		2/06
HOFFMAN, DAVID			REQUIRING AN ORGANIZATIONAL MEETING OF COUNTY TAX APPEAL BOARDS			
HB0394	1/25	2/01		TABLED ON 03/27		
NISBET, JERRY			ALLOW LOCAL GOVERNMENT TO IMPOSE LOCAL OPTION LODGING FACILITY USE TAX			

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By DAN HARRINGTON, CHAIR, on January 30, 1991, at 9:00 a.m.

ROLL CALL

Members Present:

Dan Harrington, Chairman (D)
Bob Ream, Vice-Chairman (D)
Ben Cohen, Vice-Chair (D)
Ed Dolezal (D)
Jim Elliott (D)
Orval Ellison (R)
Russell Fagg (R)
Bob Gilbert (R)
Marian Hanson (R)
David Hoffman (R)
Jim Madison (D)
Ed McCaffree (D)
Bea McCarthy (D)
Tom Nelson (R)
Mark O'Keefe (D)
Bob Raney (D)
Ted Schye (D)
Barry "Spook" Stang (D)
Fred Thomas (R)
Dave Wanzenried (D)

Members Excused: Rep. Mike Foster (R)

Staff Present: Lee Heiman, Legislative Council
Lois O'Connor, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

HEARING ON HB 313

An act revising the procedure for the issuance of a tax deed.

Presentation and Opening Statement by Sponsor:

REP. McCAFFREE, House District 27, Forsyth, said the bill was introduced on behalf of the Treasurer's Association. The county takes a tax deed and is then obligated to contact all interested parties. Under current law, if a person does not go through the notification process, then the County Treasurer has the

requirement to do it. HB 313 changes the requirement. If an individual taking the tax lien does not notify the interested parties, then the County Treasurer can cancel the property tax lien. It takes the burden off the County Treasurers.

Proponents' Testimony:

Cort Harrington, Montana County Treasurer's Association said between the 1985 and 1987 interim, a study was conducted on the tax deed process which resulted in the introduction of SB 162 in 1987, which was a major revision in the tax deed process. The bill attempted to address the assignments of a tax lien that went back to the 1940s and 50s, and an attempt to clean up the county records. Prior to 1987, it was necessary for someone who had an assignment to apply for a tax deed. One of the changes introduced in 1987 was that the tax deed be issued automatically at the end of the reduction period. To accomplish this, interested parties had to be notified. How do you force someone who has an assignment to give notice? At that time, the County Treasurer's Association was concerned about this problem. The solution is amended in HB 313, in that, the County Treasurer would give notice on behalf of the assignee. The solution now is if someone doesn't follow through and apply for a tax deed and get the tax deed issued, then there tax lien would be eliminated.

Stan Hughes, Montana County Treasurer's Association, stated they feel the current statute is unenforceable and unworkable. We are frequently unable to find the assignee as some assignments are 30, 40, or 50 years old. When we do find them, we have the additional problem of how to bill and collect the $500 fine that the Treasurers are required to levy against the assignee. Statute states that the County Treasurer is given the responsibility of trying to determine who the interested parties are. The problem is that the County Treasurer's Office is not the one who does the original search for the interested parties. The notification is done when the tax fee is pursued by the County Clerk and Recorder. The $500 is not any incentive for the assignee to pursue their tax deed properly. HB 313 does provide a simple procedure for the taxpayers, the assignees, and the County Treasurers Offices.
Mr. Hughes offered a technical amendment. On Page 6, Line 22, after "county", strike "or if the county treasurer is required to give notice pursuant to subsection (3)".

Dick Michelotti, Cascade County Treasurer, said since 1950, Cascade County has 102 assignments where the assignee took the assignment and has not followed through to get the tax deeds. Many of these people cannot be found or have acquired ownership for the same property through some other means. This is the purpose of HB 313. If someone takes an assignment on property for back taxes and he does not follow through, that person who owns the property will be credited. There taxes are paid and the lien is removed.

Opponents' Testimony: None

Questions From Committee Members:

REP. HOFFMAN asked **Cort Harrington** to explain Page 3, Line 19, where it begins the County Treasurer shall cancel the property tax lien. **Mr. Harrington** said if a person comes in and takes an assignment, they must pay the delinquent taxes. By paying the delinquent taxes, they acquire a lien for the amount paid. It is the county's perspective that those taxes are no longer delinquent because they are not made whole. The person who pays the taxes then has a lien against the property. Under HB 313, if a person does take an assignment and they do get a tax lien, they have certain duties to follow through and get a tax deed. What are the consequences of not following through? The bill suggests that if a person doesn't follow through, the lien lapses and is removed. The original owner gets the benefit of having someone else come in and pay the taxes.

Closing by Sponsor:

REP. McCAFFREE said HB 313 was explain clearly and urged the committee's support.

EXECUTIVE ACTION ON HB 313

Motion: **REP. WANZENRIED MOVED HB 313 DO PASS.**

Motion/Vote: **REP. RANEY** moved the amendments to HB 313. Motion carried unanimously by voice vote. **EXHIBIT 1**

Motion/Vote: **REP. RANEY MADE A SUBSTITUTE MOTION THAT HB 313 DO PASS AS AMENDED.** Motion carried unanimously.

HEARING ON HB 265

Presentation and Opening Statement by Sponsor:

REP. M.E. CONNELLY, House District 8, Kalispell, stated HB 265 provides that a corporation whose interest on its bonds total 80 percent or more of all interest, dividends, and other debts paid in a tax year may not deduct the interest paid on the bonds from its gross income for corporation license and income tax purposes. The reason for HB 265 is because of the problems that junk bonds have caused for the state. It has a retroactive applicability date.

In computing the tax, a corporation starts with its gross income and this income is adjusted to get net income. One of the ways to compute the net income from gross income is the amount of interest on their debt. HB 265 would set up a system whereby a corporation couldn't use junk bonds to pay back debts.

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL DATE 1-30-91

NAME	PRESENT	ABSENT	EXCUSED
REP. DAN HARRINGTON, CHAIRMAN	✓		
REP. BEN COHEN, VICE-CHAIRMAN	✓		
REP. BOB REAM, VICE-CHAIRMAN	✓		
REP. ED DOLEZAL	✓		
REP. JIM ELLIOTT	✓		
REP. ORVAL ELLISON	✓		
REP. RUSSELL FAGG	✓		
REP. MIKE FOSTER			✓
REP. BOB GILBERT	✓	+	
REP. MARIAN HANSON	✓		
REP. DAVID HOFFMAN	✓		
REP. JIM MADISON	✓		
REP. ED MCCAFFREE	✓		
REP. BEA MCCARTHY	✓		
REP. TOM NELSON	✓	X	
REP. MARK O'KEEFE	✓	+	
REP. BOB RANEY	✓		
REP. TED SCHYE	✓		
REP. BARRY "SPOOK" STANG	✓		
REP. FRED THOMAS	✓	+	
REP. DAVE WANZENRIED	✓		

CS05TAXATI.MAN

HOUSE STANDING COMMITTEE REPORT

January 30, 1991

Mr. Speaker: We, the committee on Taxation report that House Bill 313 (first reading copy -- white) do pass as amended .

Signed: Dan Harrington
Dan Harrington, Chairman

And, that such amendments read:

1. Page 6, lines 22 and 23.
Strike: "or" on line 22 through "(3)" on line 23

EXHIBIT 1
DATE 1-30-91
HB 313

Amendments to House Bill No. 313
First Reading Copy

For the Committee on Taxation

Prepared by Lee Heiman
January 30, 1991

1. Page 6, lines 22 and 23.
Strike: "or" on line 22 through "(3)" on line 23

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

TAXATION COMMITTEE BILL NO. HB 313

DATE 1/30/91 SPONSOR(S) Rep. McCulloch

PLEASE PRINT **PLEASE PRINT** **PLEASE PRINT**

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
STAN HUGHES 311 W. MAIN RM 202 BOZEMAN	MT. COUNTY TREASURERS' ASSOC.	✓	
Dick Michelotti Gt Falls	Mt County Trees. Assoc	✓	
Cort HARRINGTON	" "	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

CHAIRMAN--MIKE HALLIGAN
NORMAL SCHEDULE==> SITE: RM 413/415 DAYS: M,T,W,T,F TIME: 8:00 A.M.

SECRETARY-JILL ROHYANS

--BILL NO---	REFER DATE---	HEARING DATE---	CONSIDERATION DATES----------	COMMITTEE ACTION----------	REREFERRED TO COMM----	DATE OUT-
HB0262	2/01	3/12		CONCUR		3/12
HARRINGTON, DAN			REVISE MEANING OF TAXABLE VALUE USED IN CLASSIFICATION OF COUNTIES			
HB0312	4/05	4/11		CONCUR AS AMENDED		4/14
HOFFMAN, DAVID			STATE FUNDING OF YOUTH COURT MATTERS AND DISTRICT COURT OVER MAX COUNTY LEVY			
HB0313	2/05	3/11		CONCUR		3/11
MCCAFFREE, ED			REVISE TAX DEED NOTICE REQUIREMENTS			
HB0321	4/04	4/10		CONCUR		4/10
REAM, BOB			REQUIRING INTEREST & PENALTY ON INDIVIDUAL & CORP LICENSE TAX TO GEN FUND			
HB0334	3/08	3/26		CONCUR AS AMENDED		4/10
SWYSGOOD, CHARLES			ALLOWING LIVESTOCK MOVED INTERSTATE TO BE TAXED ON A PRORATED BASIS			
HB0338	2/08	3/13		CONCUR AS AMENDED		3/27
REAM, BOB			REDEFINING INCENTIVES FOR LOW EMISSION WOOD OR BIOMASS COMBUSTION DEVICES			
HB0340	4/04	4/10		CONCUR		4/10
REAM, BOB			PROPERTY TAXATION OF FOREST LAND BASED ON FOREST PRODUCTIVITY VALUE			
HB0386	3/23	4/01		CONCUR		4/05
SCHYE, TED			GASOLINE TAX FOR STATE PARKS ROADS			
HB0422	2/14	3/14		CONCUR		3/14
HOFFMAN, DAVID			AUTHORIZE STATE TAX APPEAL BOARD TO USE HEARINGS OFFICERS			
HB0441	3/13	3/22		CONCUR AS AMENDED		4/05
PAVLOVICH, BOB			REVISE DELINQUENT MOBILE HOME TAX LIABILITY			
HB0446	2/14	3/20		CONCUR		4/05
NELSON, THOMAS			PRICE MUST COVER ALL DUE IF TAX-DEED LAND PURCHASED BY DELINQUENT TAXPAYER			

MINUTES

MONTANA SENATE
52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Senator Mike Halligan, Chairman, on March 11, 1991, at 8:00 a.m.

ROLL CALL

Members Present:

Mike Halligan, Chairman (D)
Dorothy Eck, Vice Chairman (D)
Robert Brown (R)
Steve Doherty (D)
Delwyn Gage (R)
John Harp (R)
Francis Koehnke (D)
Gene Thayer (R)
Thomas Towe (D)
Van Valkenburg (D)
Bill Yellowtail (D)

Members Excused: None

Staff Present: Jeff Martin (Legislative Council).

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Announcements/Discussion: None

HEARING ON HOUSE BILL 481

Presentation and Opening Statement by Sponsor:

Representative Wallin, District 78, sponsor, said auctions on property acquired by tax deed are conducted every six months. The bill would allow the Board of County Commissioners to sell the property between the first auction and the next scheduled auction if there were no qualifying bids submitted for the property at the first auction. The Board may sell the property by negotiated sale at a price that is not less than the fair market value that was fixed for the original auction.

Closing by Sponsor:

Senator Williams said this project will cost some money at the beginning, but the savings certainly will offset that cost. Northwest power use has grown 4% per year for the last 3 years. The power surplus of the '80's is gone and new power sources must be developed. He urged the committee to give serious consideration to the bill.

HEARING ON HOUSE BILL 313

Presentation and Opening Statement by Sponsor:

Rep. McCaffree, District 27, sponsor, said the bill has been introduced at the request of the Montana Treasurers Association. The bill revises the procedures for issuance of a tax deed. If the county takes a tax deed, it must notify all interested parties. When an individual takes tax deed, he must notify all interested parties. If he fails to do so, the County Treasurer must complete the notification and then charge the individual $500. The $500 is often uncollectible and results in claim against the tax title. The bill relieves the Treasurers of the obligation of notifying the interested parties if the individual who took tax title does not complete the notification.

Proponents' Testimony:

Court Harrington, Montana Treasurers Association, said this creates an obligation to follow through with procedures when you take a tax assignment. If you do not complete the process, then the interest in the tax assignment is lost.

Opponents' Testimony:

There were no opponents.

Questions from Committee Members:

There were no questions.

Closing by Sponsor:

Rep. McCaffree said this bill is another attempt to streamline the process and make it easier to apply to current tax deed assignments.

EXECUTIVE ACTION ON HOUSE BILL 313

Recommendation and Vote:

Senator Gage moved HB 313 Be Concurred In.

The motion CARRIED unanimously.

EXECUTIVE ACTION ON SENATE BILL 226

Discussion:

Senator Van Valkenburg said it is important to discuss the retirement bills in light of budget balancing concerns as the Senate gets closer to the transmittal date. He suggested providing a $3600 across the board exemption to all retirees. He also said it is important to recognize the historical relationship between Montana public employees and the rest of the population employed in the state. The Montana public employees have been paid at a lower level than the private sector or federal employment. The situation of the Montana public employees has been recognized by the fact that the state affirmatively decided not to tax any of their retirement benefits. Because of the Davis decision and the loss of revenue with respect to retired federal employees, Senator Van Valkenburg felt it would not be possible to continue to provide a total exemption to Montana public employees. His solution is to provide an offsetting increase in benefits to the Montana public employees. He said there may be some legal problems with that provision. The Montana Public Employees Association feels that a bill can be drafted which would withstand any legal challenges.

Senator Van Valkenburg presented a list of options prepared by the Department of Revenue (Exhibit #7). He said in order to get the process moving, he would like to present amendments to Senator Harp's SB 226 which would give a $3600 across the board exemption to all retirees. The amendments would also include a 2% across the board retirement benefit increase to Montana public employees. The net revenue effect of that will be to generate an additional $16.25 million per biennium. He said that is somewhat close to what the Governor's budget envisions.

Senator Harp said he agreed to those provisions in the spirit of bipartisanship. He said it is necessary to make it clear that the intent is to recapture the federal dollars. He felt there would be strong support from the Republicans and, although it is not the approach the Governor prefers, it comes close to accomplishing the same purpose.

Senator Thayer expressed concerns about the lawsuit threatened by the federal retirees. He said he felt the military retiree is entitled to the same treatment as the state employees.

ROLL CALL

SENATE TAXATION COMMITTEE

DATE 3/11/91

____ LEGISLATIVE SESSION ____

NAME	PRESENT	ABSENT	EXCUSED
SEN. HALLIGAN	X		
SEN. ECK	X		
SEN. BROWN	X		
SEN. DOHERTY	X		
SEN. GAGE	X		
SEN. HARP	X		
SEN. KOEHNKE	X		
SEN. THAYER	X		
SEN. TOWE	X		
SEN. VAN VALKENBURG	X		
SEN. YELLOWTAIL	X		

Each day attach to minutes.